

# Corporate Social Attitudes Change in Romania

**CONSTANTA, Romania**—Marcel Biac was born a Rroma—a vulnerable minority in Romania—and lived in a dormitory-type residential institution in Constanta, a port city on the Black Sea, from the time he was 5 years old. When he left the institution at age 18 in 2002, he had no family, no home, and little hope of finding a job.

Fortunately, Marcel applied for a new program at a company called FantasyMod—a textile factory—which was training young workers with a grant from USAID. With his training completed, Marcel now works a regular shift in the plant, where he not only receives a paycheck but is well on his way to becoming a self-reliant citizen.

“Training and hiring the young people from the youth residential institution has been much more successful than we ever anticipated,” said Mihaela Belcin, owner of FantasyMod.

“This program helped me understand that by helping the community and its members our company benefits a lot. We have excellent new employees who are very efficient. Not only that, but we have gained new respect from the people of Constanta. My company is better known and new clients are increasing our business.”

Such stories are rare in Romania. After struggling under a centralized, socialist economy for 45 years, Romanian companies

began the transition to a free market system in 1989 with no knowledge of corporate citizenship.

Most private firms had little interest in local problems and didn’t understand how corporate citizenship benefits both the community and the business. As a result, the public frequently perceived companies as egocentric and indifferent to their needs.

USAID launched a small corporate social responsibility (CSR) program through the Romanian Chamber of Commerce and the NGO World Learning to demonstrate that private firms can improve their bottom lines by doing good in their communities.

Multinational corporations, such as McDonalds, Kraft Foods, Procter & Gamble, Cisco Systems, and Eli Lilly, are helping Romanians better understand the nature and values of capitalism. A competition for small grants was held and the best CSR project proposals were selected for USAID cofinancing in cities and towns throughout the country. These include:

- ◆ Marcel’s company, FantasyMod, which provided vocational training and jobs to other orphans
- ◆ A footwear producer that donated shoes to 627 unemployed
- ◆ A plastics manufacturer that distributed 28,000 trash bags to schools, kindergartens, hospitals, and other institutions

- ◆ A small-town school that was saved from closing by a local company that refurbished its sewage system
- ◆ A firm that equipped 26 schools and universities with software products
- ◆ A private company that equipped a school computer lab for handicapped children and orphans
- ◆ A kindergarten, retirement home, and theater that were restored in the capital city of Bucharest

As a result of this mix of company funds and employee time, USAID grants totaling \$48,000 leveraged local cash and in-kind contributions worth nearly \$500,000.

Nationwide media attention to these projects spread CSR concepts around the country. Now the program is being copied by other companies in other cities, without any outside financial support. ★

*By Mihaela Popescu, USAID/Romania*



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Marcel Biac, working at FantasyMod in Constanta, Romania.